

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Discretely Presented Component Unit-----					
	SPRF	PERF -State	PERF-Municipal	ECRF	JRS	PARF	LRS
Valuation Date: July 1, 2005							
Actuarial value of assets	\$ 317,837	*	*	*	*	*	*
Actuarial accrued liability (AAL)	390,480	*	*	*	*	*	*
Excess of assets over (unfunded) AAL	(72,643)	*	*	*	*	*	*
Funded ratio	81%	*	*	*	*	*	*
Covered payroll	53,897	*	*	*	*	*	*
Excess (unfunded) AAL as a percentage of covered payroll	-135%	*	*	*	*	*	*
Valuation Date: July 1, 2004							
Actuarial value of assets	\$ 311,707	\$ 2,138,655	\$ 2,507,186	\$ 38,772	\$ 135,798	\$ 14,654	\$ 4,206
Actuarial accrued liability (AAL)	378,770	2,019,492	2,624,061	50,009	209,992	22,588	4,856
Excess of assets over (unfunded) AAL	(67,063)	119,163	(116,875)	(11,237)	(74,194)	(7,934)	(650)
Funded ratio	82%	106%	96%	78%	65%	65%	87%
Covered payroll	53,095	1,612,049	2,586,380	10,209	25,693	15,149	**
Excess (unfunded) AAL as a percentage of covered payroll	-126%	7%	-5%	-110%	-289%	-52%	**
Valuation Date: July 1, 2003							
Actuarial value of assets	\$ 313,123	\$ 2,078,952	\$ 2,478,161	\$ 37,286	\$ 126,151	\$ 12,758	\$ 4,199
Actuarial accrued liability (AAL)	360,502	1,860,101	2,437,632	52,006	206,846	15,685	4,947
Excess of assets over (unfunded) AAL	(47,379)	218,851	40,529	(14,720)	(80,695)	(2,927)	(748)
Funded ratio	87%	112%	102%	72%	61%	81%	85%
Covered payroll	51,204	1,491,661	2,460,569	11,944	25,400	13,158	**
Excess (unfunded) AAL as a percentage of covered payroll	-93%	15%	2%	-123%	-318%	-22%	**
Valuation Date: July 1, 2002							
Actuarial value of assets	\$ 304,773	\$ 2,061,790	\$ 2,445,113	\$ 37,360	\$ 121,155	\$ 11,957	\$ 4,446
Actuarial accrued liability (AAL)	349,772	2,010,178	2,666,590	55,884	188,434	22,386	5,503
Excess of assets over (unfunded) AAL	(44,999)	51,612	(221,477)	(18,524)	(67,279)	(10,429)	(1,057)
Funded ratio	87%	103%	92%	67%	64%	53%	81%
Covered payroll	50,895	1,475,076	2,350,458	12,654	25,805	14,437	**
Excess (unfunded) AAL as a percentage of covered payroll	-88%	3%	-9%	-146%	-261%	-72%	**
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees)							
* Information not available							
** The benefit formula is determined based on service rather than compensation. The unfunded liability is expressed per active participant and there are 50 active participants. The unfunded liability per active participant is \$13,010							

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	General Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 4,046,800	\$ 4,046,800	\$ 4,917,029	\$ 870,229
Sales	2,540,200	2,540,200	2,371,922	(168,278)
Fuels	3,469	3,469	-	(3,469)
Gaming	-	-	85,445	85,445
Inheritance	120,000	120,000	152,401	32,401
Alcohol and tobacco	333,800	333,800	301,949	(31,851)
Insurance	168,700	168,700	186,525	17,825
Other	17	17	154,066	154,049
Total taxes	<u>7,212,986</u>	<u>7,212,986</u>	<u>8,169,337</u>	<u>956,351</u>
Current service charges	142,337	142,337	171,136	28,799
Investment income	30,000	30,000	38,910	8,910
Sales/rents	7,078	7,078	1,250	(5,828)
Grants	70,000	70,000	10,395	(59,605)
Other	62,114	62,114	34,510	(27,604)
Total revenues	<u>7,524,515</u>	<u>7,524,515</u>	<u>8,425,538</u>	<u>901,023</u>
Expenditures:				
Current:				
General government	621,938	1,121,280	995,567	125,713
Public safety	650,255	638,744	627,348	11,396
Health	90,030	100,704	99,835	869
Welfare	2,116,444	373,397	366,179	7,218
Conservation, culture and development	98,908	117,625	78,117	39,508
Education	5,836,192	5,666,604	5,651,754	14,850
Transportation	465	3,469	1,943	1,526
Other	11,327	-	-	-
Total expenditures	<u>9,425,559</u>	<u>8,021,823</u>	<u>7,820,743</u>	<u>201,080</u>
Excess of revenues over (under) expenditures	(1,901,044)	(497,308)	604,795	(1,102,103)
Other financing sources (uses):				
Total other financing sources (uses)	(531,739)	(531,739)	(551,590)	(19,851)
Net change in fund balances	<u>\$ (2,432,783)</u>	<u>\$ (1,029,047)</u>	\$ 53,205	<u>\$ 1,082,252</u>
Fund balances July 1, as restated			<u>1,069,951</u>	
Fund balances June 30			<u>\$ 1,123,156</u>	

Motor Vehicle Highway Fund				Medicaid Assistance			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
483,373	483,373	482,375	(998)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
483,373	483,373	482,375	(998)	-	-	-	-
18,032	18,032	16,607	(1,425)	-	-	-	-
-	-	-	-	-	-	-	-
13	13	319	306	-	-	-	-
18,139	18,139	20,149	2,010	3,239,993	3,239,993	3,022,039	(217,954)
63,820	63,820	61,241	(2,579)	27	27	3,087	3,060
583,377	583,377	580,691	(2,686)	3,240,020	3,240,020	3,025,126	(214,894)
6,788	283,935	283,935	-	-	-	-	-
184,285	181,268	181,268	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,620,756	4,611,367	9,389
-	-	-	-	-	-	-	-
259	257	257	-	-	-	-	-
-	4,557	4,557	-	-	-	-	-
-	-	-	-	-	-	-	-
191,332	470,017	470,017	-	-	4,620,756	4,611,367	9,389
392,045	113,360	110,674	2,686	3,240,020	(1,380,736)	(1,586,241)	205,505
(110,876)	(110,876)	(96,509)	14,367	1,462,749	1,462,749	1,570,658	107,909
<u>\$ 281,169</u>	<u>\$ 2,484</u>	<u>\$ 14,165</u>	<u>\$ 11,681</u>	<u>\$ 4,702,769</u>	<u>\$ 82,013</u>	<u>\$ (15,583)</u>	<u>\$ (97,596)</u>
		(8,652)				(21,513)	
		<u>\$ 5,513</u>				<u>\$ (37,096)</u>	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Build Indiana Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	129,739	129,739
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	141	141	142	1
Total revenues	141	141	129,881	129,740
Expenditures:				
Current:				
General government	-	20,213	11,466	8,747
Public safety	-	2	-	2
Health	-	26	-	26
Welfare	-	-	-	-
Conservation, culture and development	-	3,011	1,127	1,884
Education	-	28	-	28
Transportation	-	192	58	134
Other	-	-	-	-
Total expenditures	-	23,472	12,651	10,821
Excess of revenues over (under) expenditures	141	(23,331)	117,230	(140,561)
Other financing sources (uses):				
Total other financing sources (uses)	13,977	13,977	(115,824)	(129,801)
Net change in fund balances	\$ 14,118	\$ (9,354)	\$ 1,406	\$ 10,760
Fund balances July 1, as restated			23,461	
Fund balances June 30			\$ 24,867	

State Highway Department				Property Tax Replacement Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	14	-	(14)	2,321,710	2,321,710	2,438,794	117,084
1	1	2	1	-	-	-	-
-	-	-	-	8,524	8,524	-	(8,524)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15	15	2	(13)	2,330,234	2,330,234	2,438,794	108,560
14,250	14,250	13,483	(767)	-	-	-	-
29	29	88	59	-	-	-	-
1,870	1,870	2,192	322	-	-	-	-
831,557	831,557	805,864	(25,693)	-	-	-	-
75,226	75,226	70,234	(4,992)	-	-	-	-
922,947	922,947	891,863	(31,084)	2,330,234	2,330,234	2,438,794	108,560
-	-	-	-	-	1,979,706	1,979,706	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,108,086	1,350,353	1,335,974	14,379	-	-	-	-
-	-	-	-	-	-	-	-
1,108,086	1,350,353	1,335,974	14,379	-	1,979,706	1,979,706	-
(185,139)	(427,406)	(444,111)	16,705	2,330,234	350,528	459,088	(108,560)
475,829	475,829	485,846	10,017	(398,794)	(398,794)	(459,088)	(60,294)
\$ 290,690	\$ 48,423	\$ 41,735	\$ (6,688)	\$ 1,931,440	\$ (48,266)	\$ -	\$ 48,266
		284,025				-	
		\$ 325,760				\$ -	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Tobacco Settlement Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	129,852	129,852	130,001	149
Investment income	1,140	1,140	366	(774)
Sales/rents	-	-	-	-
Grants	-	-	415	415
Other	12	12	146	134
Total revenues	131,004	131,004	130,928	(76)
Expenditures:				
Current:				
General government	-	22,586	22,494	92
Public safety	-	-	-	-
Health	-	36,310	36,310	-
Welfare	-	162	76	86
Conservation, culture and development	-	64	64	-
Education	-	-	-	-
Transportation	-	-	-	-
Other	-	-	-	-
Total expenditures	-	59,122	58,944	178
Excess of revenues over (under) expenditures	131,004	71,882	71,984	(102)
Other financing sources (uses):				
Total other financing sources (uses)	(116,733)	(116,733)	(117,364)	(631)
Net change in fund balances	\$ 14,271	\$ (44,851)	\$ (45,380)	\$ (529)
Fund balances July 1, as restated			238,068	
Fund balances June 30			\$ 192,688	

Budget/GAAP Reconciliation Major Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	GENERAL FUND	MOTOR VEHICLE HIGHWAY FUND	MEDICAID ASSISTANCE	BUILD INDIANA FUND	STATE HIGHWAY DEPARTMENT	PROPERTY TAX RELIEF FUND	TOBACCO SETTLEMENT FUND	Total
Net change in fund balances (budgetary basis)	\$ 53,205	\$ 14,165	\$ (15,583)	\$ 1,406	\$ 41,735	\$ -	\$ (45,380)	\$ 49,548
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:								
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	55,270	(915)	22,298	27,069	(130,541)	12,825	10,300	(3,694)
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	<u>(11,939)</u>	<u>(4,615)</u>	<u>-</u>	<u>197</u>	<u>(1,159)</u>	<u>(17,101)</u>	<u>(1,165)</u>	<u>(35,782)</u>
Net change in fund balances (GAAP basis)	<u>\$ 96,536</u>	<u>\$ 8,635</u>	<u>\$ 6,715</u>	<u>\$ 28,672</u>	<u>\$ (89,965)</u>	<u>\$ (4,276)</u>	<u>\$ (36,245)</u>	<u>\$ 10,072</u>

Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges

Roads

	<u>Average Pavement Quality Index (PQI)</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Interstate Roads (including Rest Areas and Weigh Stations)	88	87	87
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)	81	82	83
Non-NHS Roads	77	79	80

The condition of road pavement is measured using a pavement quality index (PQI), which is based on a weighted average of three distress factors found in pavement surfaces. The PQI uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in excellent condition (90-100), good condition (80-89), fair condition (70-79), and poor condition (less than 70).

It is the State's policy to maintain Interstate and NHS Non-Interstate roads at an average PQI of 75 and Non-NHS roads at an average PQI of 65. Condition assessments are determined on an annual basis for Interstates and on a biennial basis for other roads. The ratings provided are based on data gathered during the summer (July and August) of the corresponding fiscal year. The data are evaluated and compared to standard criteria by the end of the fiscal year.

Bridges

	<u>Average Sufficiency Rating</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Interstate Bridges	91.0%	91.5%	91.1%
NHS Bridges - Non-Interstate	90.8%	91.2%	90.1%
Non-NHS Bridges	88.3%	88.4%	87.8%

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69), and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

Infrastructure - Modified Reporting
Comparison of Needed-to-Actual Maintenance/Preservation
(dollars in thousands)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 151,999	\$ 194,098	\$ 113,469	\$ 101,574	N/A
Actual	140,667	253,555	167,472	198,144	N/A
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	73,331	71,244	52,857	67,392	N/A
Actual	35	55	2,450	2,618	N/A
Non-NHS Roads					
Needed	157,122	185,437	196,063	185,909	N/A
Actual	376,934	414,964	390,020	311,757	N/A
Roads at State Institutions and Properties					
Needed	2,903	2,689	4,000	5,000	N/A
Actual	5,595	4,381	6,044	1,603	N/A
Total					
Needed	385,355	453,468	366,389	359,875	N/A
Actual	523,231	672,955	565,986	514,122	N/A
Bridges					
Interstate Bridges					
Needed	\$ 39,166	\$ 19,946	\$ 11,220	\$ 42,634	N/A
Actual	23,863	28,723	36,736	27,838	N/A
NHS Bridges - Non-Interstate					
Needed	2,021	26,411	25,618	35,384	N/A
Actual	1,282	7,766	12,324	11,265	N/A
Non-NHS Bridges					
Needed	32,597	34,929	44,659	41,116	N/A
Actual	61,271	73,356	60,314	74,388	N/A
Bridges at State Institutions and Properties					
Needed	164	926	-	-	N/A
Actual	796	702	-	-	N/A
Total					
Needed	73,948	82,212	81,497	119,134	N/A
Actual	87,212	110,547	109,374	113,491	N/A

N/A - Information is not available

